

## AGENDA



Thursday, October 22, 2009

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 3**

**Subject:** Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with SLF III – ONION CREEK, L.P., related to Service Extension Request Nos. 2707, 2709 and 2711, for construction of 15-inch, 18-inch and 24-inch gravity wastewater mains and appurtenances to serve property south of Onion Creek and west of Interstate Highway 35 South with City cost reimbursement for an overall total amount not to exceed \$2,221,800.00 and waiving the requirements of Section 25-9-39 of the City Code relating to expiration of service extension request approval.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Water Utility.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Seyed Miri, P.E., 972-0202; Denise Avery, 972-0104

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission.

SLF III – ONION CREEK, L.P. (the “Owner”) of Stratford Tracts I, II and III, with:

- Stratford Tract I having 833 proposed single-family residences on approximately 119 acres of land located south of Onion Creek and west of Interstate Highway 35 South,
- Stratford Tract II having 539 proposed single-family residences and 912,000 sq ft of retail/office/commercial use on approximately 276.6 acres of land on the northwest corner of Interstate Highway 35 South and Puryear Road, and
- Stratford Tract III having 873 proposed single-family residences, 1,189 multi-family units, 138,000 sq ft of retail/office/commercial use and 15 acres for a future school site on approximately 180.72 acres of land on the northwest corner of Old San Antonio Road and Puryear Road.

The Owner has submitted Service Extension Request Nos. 2707, 2709 and 2711 (SER-2707, SER-2709 and SER-2711) requesting that the City provide wastewater utility service to the development. These tracts are outside the full-purpose city limits, within the Council approved Impact Fee Boundary, Utility Service Area, and also within the Desired Development Zone and Onion Creek Watershed.

**Oversized Wastewater Main Improvements:**

**Ultimate Wastewater Service:** The Owner will construct approximately 3,600 feet of oversized 24-inch gravity wastewater line from the upstream end of the proposed wastewater interceptor tunnel in the Future South IH-35 Water and Wastewater Infrastructure Improvements Program, the Upper Onion Creek Interceptor from I-35 to Rinard Project (CIP No. 6937.026) west to Old San Antonio Road and Onion Creek (across Stratford Tract I, SER-2707). The Owner will also construct approximately 2,000 feet of oversized 18-inch gravity wastewater line and approximately 4,000 feet of oversized 15-inch gravity wastewater line (in phases as necessary) from Old San Antonio Road and Onion Creek, south along Old San Antonio Road to the highest point that can be served by the proposed gravity wastewater line (near

Stratford Tract III, SER-2711). These improvements are oversized and will provide wastewater service to potential customers within the wastewater drainage basin.

Ultimate Wastewater Service is currently not available until the South IH-35 Water and Wastewater Infrastructure Improvements Program, Upper Onion Creek Interceptor from IH-35 to Rinard (CIP No. 6937.026) wastewater improvements are designed and constructed by the City of Austin.

The Owner will dedicate a 30-ft Subterranean Wastewater Easement along the Onion Creek frontage of Stratford Tract I (SER-2707) outside the Critical Water Quality Zone of Onion Creek. The Owner will dedicate 100'x 100' Permanent Wastewater Interceptor Shaft Site Easements, one at each end of the above mentioned 30-ft Subterranean Wastewater Easement. The owner will also dedicate associated Temporary Work Space Easements and Access Easements (actual location within Stratford Tract I (SER-2707) to be determined by the Owner and the City of Austin).

All required easements for the South IH-35 Water and Wastewater Infrastructure Improvements Program on Stratford Tracts I, II and III (SER-2706 through SER-2711) must be dedicated by the Owner and recorded within 30 days of City Council approval; otherwise this SER expires after the 30th day from the City Council approval.

The not-to-exceed amount for actual construction costs for the 24-inch gravity wastewater main and appurtenances are \$1,188,000. The overall not-to-exceed amount for engineering, design and project management of the 24-inch gravity wastewater main and appurtenances is 15% of the actual construction costs of the 24-inch gravity wastewater main and appurtenances or \$178,200, whichever is less, for an overall total amount not to exceed \$1,366,200.

The not-to-exceed amount for actual construction costs for the 18-inch gravity wastewater main and appurtenances are \$552,000. The overall not-to-exceed amount for engineering, design and project management of the 18-inch gravity wastewater main and appurtenances is 15% of the actual construction costs of the 18-inch gravity wastewater main and appurtenances or \$82,800, whichever is less, for an overall total amount not to exceed \$634,800.

The not-to-exceed amount for actual construction costs for the 15-inch gravity wastewater main and appurtenances are 20% of the actual construction costs up to a maximum of \$192,000, whichever is less. The overall not-to-exceed amount for engineering, design and project management of the 15-inch gravity wastewater main and appurtenances is 15% of the 20% of the actual construction costs of the 15-inch gravity wastewater main and appurtenances or \$28,800, whichever is less, for an overall total amount not-to-exceed \$220,800.

The Owner will bear all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with this construction. The City will reimburse the Owner for an overall total amount not to exceed \$2,221,800.

SLF III – ONION CREEK, L.P. is requesting a waiver from Austin City Code Section 25-9-39 relating to the Expiration of Service Extension Request Approval. Under Section 25-9-39 a Service Extension Request (SER) expires 120 days after its approval. This action waives the requirements of Section 25-9-39: (1) to allow for the SERs to expire after the 30th day from City Council approval if required easements have not been dedicated and (2) if the required easements have been dedicated, then to allow the SERs to not expire until 2-years after the acceptance of the South IH-35 Water and Wastewater Infrastructure Improvements Program, Upper Onion Creek Interceptor from I-35 to Rinard (CIP No. 6937.026). Adherence to other City Code provisions may extend the SERs beyond this two year period. The two year waiver is to meet the special circumstances of this particular project as part of the South IH-35 Water and Wastewater Infrastructure Improvements Program.

The Owner will conform to the City of Austin design criteria and construction standards in all respects. The Owner will construct all required improvements at their cost and after approval of construction; the applicant will dedicate the facilities to the City for ownership, operation and maintenance. The applicant has submitted a written request to be annexed by the City. All lots will be served by City of Austin wastewater service.

The Owner agrees to meet the ethnic specific M/WBE utilization goals or demonstrate a good faith effort to meet the goals for consultants as established by Resolution 20071108-127, Third-Party Agreements.

The Owner also agrees to allow the City to use the Plans and Specifications approved by the Director, to solicit and publish invitations for bids for the construction of the improvements following standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.